

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re	)	PROMESA
	)	Title III
)	
THE FINANCIAL OVERSIGHT AND	)	No. 17 BK 3283-LTS
MANAGEMENT BOARD FOR PUERTO RICO,)	
	)	(Jointly Administered)
)	
As a representative of	)	Re: ECF No. 1416
)	
THE COMMONWEALTH OF PUERTO RICO	)	Hearing date: July 25, 2018 at 9:30 a.m.
et al.,	)	(Atlantic Standard Time)
)	
Debtors. ¹)	
)	

**FEE EXAMINER'S SUPPLEMENTAL REPORT, STATUS REPORT, AND
INFORMATIVE MOTION ON UNCONTESTED FEE APPLICATIONS FOR THE
FIRST(MAY 3-SEPTEMBER 30, 2017) AND SECOND (OCTOBER 1, 2017-
JANUARY 31, 2018) INTERIM COMPENSATION PERIODS—ALL
RECOMMENDED FOR COURT APPROVAL AT OR BEFORE THE
OMNIBUS HEARING ON JULY 25, 2018 AT 9:30 A.M. (AST)**

TO: HON. LAURA TAYLOR SWAIN,
UNITED STATES DISTRICT JUDGE

SUPPLEMENTAL REPORT

On May 30, 2018, the Fee Examiner filed the *Fee Examiner's Second Report on Professional Fees and Expenses: I. Summary of Uncontested Fee Applications for the Second Interim Compensation Period (October 1, 2017-January 31, 2018)*; and *II. Notice of Deferral of*

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and, (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

17 Second Interim Fee Applications and Five First Interim Period Applications for Consideration at the July 25, 2018 Omnibus Hearing or a Later Date [Dkt. No. 3193] (the “Second Interim Fee Period Report”). The report recommended the approval of 26 interim fee applications for the First (May 3-September 30, 2017) and Second (October 1, 2017-January 31, 2018) Interim Fee Periods and notified the Court, the parties and the public of the deferral of a group of First and Second Interim Fee Period applications for consideration at the July 25, 2018 omnibus hearing or a later date (the “Deferred First and Second Interim Fee Applications”).

On June 6, 2018, the Court held a hearing on the report, and on June 8, 2018 the Court entered the *Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses for the Second Interim Compensation Period From October 1, 2017 Through January 31, 2018* [Dkt. No. 3279] (the “Second Interim Compensation Order”). This supplement (the “Supplemental Report”) recommends for approval, on an uncontested basis, nine of the Deferred First and Second Interim Fee Applications as set forth in detail on the attached **Exhibit A**. The remaining Deferred First and Second Interim Fee Applications listed on the attached **Exhibit B** will, with the continued consent of the applicants and with the Court’s permission, be deferred for consideration to the September 12, 2018 omnibus hearing or a later date.

The fee review process and findings outlined in the Fee Examiner’s previous reports apply with equal force to the Deferred First and Second Interim Fee Applications now recommended for Court approval, as adjusted. These include:

1. *First Interim Fee Application of Proskauer Rose, LLP for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Attorneys for the Financial Oversight and Management Board for Puerto Rico, as Representative of the Debtor, the Commonwealth of Puerto Rico, for the Period May 3, 2017 Through September 30, 2017* [Dkt. No. 2068].

2. *First Interim Fee Application of Proskauer Rose, LLP for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Attorneys for the Financial Oversight and Management Board for Puerto Rico, as Representative of the Debtor, Puerto Rico Sales Tax Financing Corporation, for the Period May 5, 2017 Through September 30, 2017 [Dkt. No. 2043-1].*
3. *First Interim Fee Application of Proskauer Rose, LLP for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Attorneys for the Financial Oversight and Management Board for Puerto Rico, as Representative of the Debtor, The Employees Retirement System of the Government of Puerto Rico, for the Period May 21, 2017 Through September 30, 2017 [Dkt. No. 2045-1].*
4. *First Interim Fee Application of Proskauer Rose, LLP for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Attorneys for the Financial Oversight and Management Board for Puerto Rico, as Representative of the Debtor, Puerto Rico Electric Power Authority, for the Period July 2, 2017 Through September 30, 2017 [Dkt. No. 2053].*
5. *First Interim Fee Application of Proskauer Rose, LLP for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Attorneys for the Financial Oversight and Management Board for Puerto Rico, as Representative of the Debtor, The Puerto Rico Highways & Transportation Authority, for the Period May 21, 2017 Through September 30, 2017 [Dkt. No. 2066].*

Proskauer serves as counsel to the Financial Oversight and Management Board for Puerto Rico (the “Board”), as representative of each of the five Debtors in these Title III cases, providing services at a capped hourly rate of \$730.00 for attorneys. To reach his recommendation, the Fee Examiner and counsel reviewed Proskauer’s engagement agreements with the Board, all five fee applications and the supporting fee and expense data in detail. This review identified significant issues, including:

- Concerns about potential overlap between the work of counsel for the Board and counsel for AAFAF;
- Fees charged for tasks or timekeepers more appropriately characterized as administrative;
- Transitory timekeepers whose minimal work on the cases was not regarded as contributing a significant benefit to the estates;
- Excessive attendees at hearings and depositions;

- Interoffice travel time and expenses inappropriately billed to the Board;
- Inconsistently recorded meetings, calls and conferences;
- Duplication of efforts within the firm on routine docket monitoring;
- Travel, in-house catering, research, and other expenses over the caps or not permitted under the established standards; and
- Overstaffing, both overall and with respect to dozens of individual adversary proceedings.

The Fee Examiner and counsel engaged in extensive good faith discussions with the Applicant about these issues providing, in many instances, explanatory or supporting material that resolved the Fee Examiner's concerns. In other instances, Proskauer has agreed to the adjustments outlined on the attached **Exhibit A** in response to those concerns. The Fee Examiner now recommends Court approval of all five Proskauer fee applications, as adjusted and outlined on **Exhibit A**.

6. *Second Interim Application of O'Neill & Borges LLC for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred as Attorneys to the Financial Oversight and Management Board for Puerto Rico, as Representative of Debtors, for the Period of October 1, 2017 Through January 31, 2017* [Dkt. No. 2075].

O'Neill & Borges, Puerto Rico counsel for the Board, requested approval of \$296,952.30 in fees and \$10,003.46 in expense reimbursements. The Fee Examiner identified non-compensable billing activities, transitory timekeepers, inconsistently recorded meetings, excessive hearing attendance, several minor billing errors and expenses that exceeded applicable caps. O'Neill & Borges either accepted recommended reductions or provided adequate explanatory information to address the concerns. The Fee Examiner now recommends Court approval of this application, as adjusted and outlined on **Exhibit A**.

7. *First Interim Application of DLA Piper for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred as Counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority and the Puerto Rico Treasury Department for the Period From June 1, 2017 Through January 31, 2018* [Dkt. No. 2753].

DLA Piper requested \$1,507,737.15 in fees and \$14,969.63 in expense reimbursements for services provided during both the First and Second Interim Fee Periods. The Fee Examiner reviewed DLA Piper's engagement agreements with AAFAF, the fee application itself, and the supporting fee and expense data in detail, identifying computation errors, inconsistently recorded meetings, calls and conferences, transitory timekeepers, and excessive time spent reviewing media coverage. DLA Piper either accepted recommended reductions or provided adequate explanatory information to address the concerns. The Fee Examiner now recommends Court approval of this application, as adjusted and outlined on the attached **Exhibit A**.

8. *Second Interim Application of Marchand ICS Group for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred as Information Agent to the Official Committee of Retired Employees of the Commonwealth of Puerto Rico From October 1, 2017 Through January 31, 2018* [Dkt. No. 2736].

Marchand ICS Group ("Marchand") requested approval of \$68,402.25 in fees and \$6,534.29 in expense reimbursements for services provided during the Second Interim Fee Period. The Fee Examiner identified very minor guideline issues about which it has advised Marchand, and now recommends this fee application for approval as filed and outlined on **Exhibit A**.

9. *Second Interim Application of Segal Consulting for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred as Actuaries and Consultants to the Official Committee of Retired Employees of the Commonwealth of Puerto Rico from October 1, 2017 Through January 31, 2017* [Dkt. No. 2742].

Segal Consulting requested approval of \$482,920.00 in fees and \$4,405.59 in expense reimbursements. The Fee Examiner identified excessive meeting attendance, time improperly

recorded in increments of .5 rather than .1 hour, transitory timekeepers, and several expense items that exceeded applicable caps. Segal either accepted recommended reductions or provided adequate explanatory information to address the concerns. The Fee Examiner now recommends Court approval of this application, as adjusted and outlined on **Exhibit A**.

STATUS REPORT

The Fee Examiner provides this brief update on specific aspects of the fee review process that the Fee Examiner, his counsel, and the Court discussed on the record at the June 6, 2018 omnibus hearing.

Alternative Fee Review Protocol for McKinsey & Company, Inc., Washington, D.C.

The Fee Examiner and counsel met in person with McKinsey representatives in mid-June to discuss the development of an appropriate protocol for the Fee Examiner's review and comment on McKinsey's two pending interim fee applications [Dkt. Nos. 2073 and 2076], as well as its subsequent applications. On July 12, 2018, McKinsey sent the Fee Examiner a list of action items arising from the meeting that, in addition to other measures and metrics, should allow the Fee Examiner access to sufficient materials, personnel and resources to make a recommendation to the Court on McKinsey's compliance with sections 316 and 317 of PROMESA. The Fee Examiner expects these measures to address most, if not all, of his concerns, and he will present the Court with a status report and proposed protocol prior to the September 12, 2018 omnibus hearing date.

De Minimis Professionals

Rather than expend estate resources to draft, negotiate, and implement revised procedures for the review of professionals billing only modest flat or hourly fees in these cases, the Fee Examiner's counsel will implement an abridged procedure for review and reporting on *de minimis* professionals. This process is designed to identify expense errors and unusual or

extraordinary billing practices that are inconsistent with the norms generally accepted for Chapter 11 professionals retained pursuant to 11 U.S.C. § 328(a). That provision allows for departure from the parties' agreed fee arrangements if the terms and conditions "prove to have been improvident in light of developments not capable of being anticipated at the time of the fixing of such terms and conditions." *Id.* The Fee Examiner will report on flat fee and *de minimis* professionals under this standard as part of the subsequent reports and recommendations to the Court.

Pre-Appointment or Pre-Petition Services

The Court entered the *First Amended Order Pursuant to PROMESA Sections 316 and 317 and Bankruptcy Code Section 105(a) Appointing a Fee Examiner and Related Relief* [Dkt. No. 3324] to expressly extend the Fee Examiner's authority to review services performed prior to a professional's official employment or retention. That order further provides that the review authority extends to all fees requested through the compensation process in these Title III proceedings, whether or not those fees were incurred for work performed on Title III matters. The Fee Examiner already had completed review and reporting on most, if not all, such fees in connection with Second Interim Fee Period applications, and the Second Interim Compensation Order authorized their payment, some with adjustments.

Additional Fee "Measures"

The Fee Examiner is developing a set of standards or "presumptions" for the Court's consideration, consistent with the June 6, 2018 hearing colloquy and the need for continuing and additional cost containment. These presumptions and standards are consistent with the standards the Fee Examiner has provided to the professionals from the outset through the confidential letter reporting process, but the motion will make explicit the additional guidelines and standards in the interest of continued transparency and economy of administration. The Fee Examiner will

present those measures by motion no later than August 21, 2018, with a notice for hearing at the September 12, 2018 omnibus.

INFORMATIVE MOTION

Pursuant to the *Order Regarding Procedures for Attendance, Participation and Observation of July 25-26, 2018 Omnibus Hearing* [Dkt. No. 3472], the Fee Examiner notifies the Court that:

1. Pursuant to the *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Dkt. No. 3269], the Court may grant an Interim Fee Application without a hearing if the Fee Examiner files a Fee Examiner Report recommending approval of the Interim Fee Application(s) in full or in part, and there are no objections from a party in interest. *Id.* at ¶ 2(j).

2. The Fee Examiner and/or his counsel, Katherine Stadler of Godfrey & Kahn, S.C., may appear in person if necessary to respond to any matters raised by the Court or to any statements made by any party in connection with this Supplemental Report in Courtroom 17C of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan Courthouse, 500 Pearl Street, New York, New York 10007. No additional persons representing the Fee Examiner will attend the New York hearing.

3. The Fee Examiner's Puerto Rico counsel, Eyck O. Lugo, may appear at the United States District Court for the District of Puerto Rico, 150 Carlos Chardón Street, Federal Building, San Juan, Puerto Rico 00918-1767, as the *pro hac vice* sponsor of the Fee Examiner and his counsel to participate in any hearing on the Deferred First and Second Interim Fee Period applications recommended in this Report.

4. Attached to this Supplemental Report as **Exhibit C** is a proposed *Supplemental Omnibus Order Awarding Interim Allowance of Compensation for Professional Services*

Rendered and Reimbursement of Expenses for the First and Second Interim Compensation Periods From May 3 Through September 30, 2017 and From October 1, 2017 Through January 31, 2018.

5. In the event that the Court enters the proposed order attached as **Exhibit C** prior to July 25, 2018, the Fee Examiner and his counsel will not plan to attend the hearing in person or by videoconference unless their attendance and participation is requested by the Court.

Dated: July 18, 2018.

WE HEREBY CERTIFY that on this date, we electronically filed the foregoing motion with the Clerk of the Court using the CM/ECF system that will send notification of such filing to all attorneys of record registered in the use of the CM/ECF system.

EDGE LEGAL STRATEGIES, PSC

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Brady Williamson (*Pro Hac Vice*)
Fee Examiner

Katherine Stadler (*Pro Hac Vice*)
Counsel for the Fee Examiner

EXHIBIT A

First and Second Interim Fee Period Applications: Uncontested

	Applicant	Compensation Period	Interim Fees Requested	Fee Examiner's Recommended Fee Adjustments	Interim Expenses Requested	Fee Examiner's Recommended Expense Adjustments	Voluntary Discounts	Interim Fees Recommended for Approval	Interim Expenses Recommended for Approval
	<i>Bankruptcy Counsel to Debtors Commonwealth</i>								
1-a	Proskauer Rose LLP [Dkt. No. 2068]	5/3/2017 - 9/30/2017	\$ 7,075,033.00	\$ 193,864.35	\$ 233,148.09	\$ 28,943.37	yes	\$ 6,881,168.65	\$ 204,204.72
	<i>Bankruptcy Counsel to Debtors COFINA</i>								
1-b	Proskauer Rose LLP [Dkt. No. 2043]	5/5/2017 - 9/30/2017	\$ 1,672,746.00	\$ 45,835.24	\$ 16,605.84	\$ 2,061.48	yes	\$ 1,626,910.76	\$ 14,544.36
	<i>Bankruptcy Counsel to Debtors ERS</i>								
1-c	Proskauer Rose LLP [Dkt. No. 2045]	5/21/2017 - 9/30/2017	\$ 1,586,156.00	\$ 43,462.57	\$ 24,131.76	\$ 2,995.75	yes	\$ 1,542,693.43	\$ 21,136.01
	<i>Bankruptcy Counsel to Debtors PREPA</i>								
1-d	Proskauer Rose LLP [Dkt. No. 2053]	7/2/2017 - 9/30/2017	\$ 1,099,888.00	\$ 30,138.24	\$ 67,275.25	\$ 8,351.66	yes	\$ 1,069,749.76	\$ 58,923.59
	<i>Bankruptcy Counsel to Debtors HTA</i>								
1-e	Proskauer Rose LLP [Dkt. No. 2066]	5/21/2017 - 9/30/2017	\$ 4,483,783.00	\$ 122,861.01	\$ 154,512.19	\$ 19,181.39	yes	\$ 4,360,921.99	\$ 135,330.80
	<i>Bankruptcy Counsel to Debtors</i>								
2	O'Neill & Borges LLC [Dkt. No.2859]	10/01 - 01/31/2018	\$ 296,952.30	\$ 5,901.32	\$ 10,003.46	\$ 1,105.55	yes	\$ 291,050.98	\$ 8,897.91
	<i>Bankruptcy Counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority and the Puerto Rico Treasury Department</i>								
3	DLA Piper LLP [Dkt. No. 2753 & amended 2778]	6/01 - 1/31/2018	\$ 1,507,737.15	\$ 107,000.00	\$ 14,969.63	\$ 800.00		\$ 1,400,737.15	\$ 14,169.63
	<i>Information Agent for the Official Committee of Retired Employees</i>								
4	Marchand ICS Group [Dkt. No. 2736]	10/01 - 1/31/2018	\$ 68,402.25	\$ -	\$ 6,534.29	\$ -		\$ 68,402.25	\$ 6,534.29
	<i>Actuaries and Consultants to the Official Committee of Retired Employees</i>								
5	Segal Consulting [Dkt. No. 2742]	10/01 - 1/31/2018	\$ 482,920.00	\$ 6,732.20	\$ 4,405.59	\$ 664.01		\$ 476,187.80	\$ 3,741.58

EXHIBIT B

First and Second Interim Fee Period Applications: Unresolved and Deferred

	Applicant	Compensation Period	Interim Fees Requested	Fee Examiner's Recommended Fee Adjustments	Interim Expenses Requested	Fee Examiner's Recommended Expense Adjustments	Voluntary Discounts	Interim Fees Recommended for Approval	Interim Expenses Recommended for Approval
	<i>Bankruptcy Counsel to Debtors Commonwealth</i>								
1-a	Proskauer Rose LLP [Dkt. No. 2868]	10/01 - 01/31/2018	\$ 5,453,686.60		\$ 294,582.75		yes		
	<i>Bankruptcy Counsel to Debtors COFINA</i>								
1-b	Proskauer Rose LLP [Dkt. No.2870]	10/01 - 01/31/2018	\$ 562,239.80		\$ 5,584.22		yes		
	<i>Bankruptcy Counsel to Debtors ERS</i>								
1-c	Proskauer Rose LLP [Dkt. No. 2872]	10/01 - 01/31/2018	\$ 2,121,996.20		\$ 52,896.53		yes		
	<i>Bankruptcy Counsel to Debtors PREPA</i>								
1-d	Proskauer Rose LLP [Dkt. No. 2876]	10/01 - 01/31/2018	\$ 2,062,304.20		\$ 37,003.99		yes		
	<i>Bankruptcy Counsel to Debtors HTA</i>								
1-e	Proskauer Rose LLP [Dkt. No. 2874]	10/01 - 01/31/2018	\$ 1,256,420.60		\$ 39,216.07		yes		
	<i>Strategic Consultants to Debtors</i>								
2-a	McKinsey & Company, Inc. [Dkt. No. 2073]	05/03 - 09/30/2017	\$ 5,120,000.00		\$ -				
	<i>Strategic Consultants to Debtors</i>								
2-b	McKinsey & Company, Inc. [Dkt. No.2756]	10/01 - 1/31/2018	\$ 6,550,000.00		\$ -				
	<i>Special Counsel to Debtors</i>								
3	Luskin Stern & Eisler LLP [Dkt. No. 2729]	10/01 - 1/31/2018	\$ 91,237.50		\$ 1,329.64				
	<i>Investment Banker and Financial Advisor to FOMB</i>								
4	Citigroup Global Markets Inc. [Dkt. No. 2944]	1/27/2017 - 1/31/2018	\$ 625,000.00		\$ 60,971.21				
	<i>Macroeconomic Consultant to Debtors</i>								
5	Andrew Wolfe [Dkt. No. 2718]	10/01 - 1/31/2018	\$ 100,000.00		\$ 12,391.30				
	<i>Financial Advisors to Government of Puerto Rico</i>								
6	Deloitte Financial Advisory Services LLP [Dkt. No. 3017]	10/01 - 01/31/2018	\$ 882,513.00		\$ 85,109.86		yes		
	<i>Financial Advisors to the Puerto Rico Fiscal Agency and Financial Advisory Authority</i>								
7-a	Ankura Consulting Group, LLC [Dkt. No. 2751]	10/01 - 1/31/2018	\$ 3,937,979.00		\$ 175,457.10				
	<i>Financial Advisors to PREPA</i>								
7-b	Ankura Consulting Group, LLC [Dkt. No. 2755]	10/01 - 1/31/2018	\$ 3,475,283.50		\$ 153,684.90				
	<i>Financial Advisor to Official Committee of Unsecured Creditors</i>								
8	Zolfo Cooper, LLC [Dkt. No. 2739]	10/01 - 1/31/2018	\$ 1,965,880.50		\$ 9,725.67				

EXHIBIT C

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re	)	PROMESA
	)	Title III
)	
THE FINANCIAL OVERSIGHT AND	)	No. 17 BK 3283-LTS
MANAGEMENT BOARD FOR PUERTO RICO,)	
	)	(Jointly Administered)
)	
As a representative of	)	Re: Dkt. Nos. 2068, 2043,2045, 2053, 2066,
	)	2859, 2753, 2778, 2736, and 2742
)	
THE COMMONWEALTH OF PUERTO RICO	)	Hearing date: July 25, 2018 at 9:30 a.m.
<i>et al.</i>,	)	(Atlantic Standard Time)
)	
)	
Debtors. ¹)	
)	

**SUPPLEMENTAL OMNIBUS ORDER AWARDING INTERIM ALLOWANCE OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES FOR THE FIRST AND SECOND INTERIM
COMPENSATION PERIODS FROM MAY 3 THROUGH SEPTEMBER 30, 2017 AND
FROM OCTOBER 1, 2017 THROUGH JANUARY 31, 2018**

This matter coming before the Court on the interim fee applications (together Dkt. Nos. 2068, 2043, 2045, 2053, 2066, 2859, 2753, 2778, 2736, and 2742, the (“**Applications**”)) indicated as “Recommended for Approval” on the attached **Exhibit A**, pursuant to sections 316 and 317 of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), Pub. L. No. 114-187, §§ 316, 317, 130 Stat., 549, 584-85 (2016), and Rule 2016 of the Local

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and, (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Rules of Bankruptcy Practice and Procedure of the U.S. Bankruptcy Court for the District of Puerto Rico, for the interim allowance of certain fees, including all holdbacks and expenses incurred by the Applicants for the specific period of time set forth in each of the Applications (the “**Compensation Periods**”); filed in accordance with the *Order Setting Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Dkt. No. 1150] (the “**Interim Compensation Order**”); the *First Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Dkt. No. 1715] (the “**First Amended Interim Compensation Order**”); the *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Dkt. No. 3269] (the “**Second Amended Interim Compensation Order**”); the *Order Pursuant to PROMESA Sections 316 and 317 and Bankruptcy Code Section 105(A) Appointing a Fee Examiner and Related Relief* [Dkt. No. 1416] (the “**Fee Examiner Order**”); and the *First Amended Order Pursuant to PROMESA Sections 316 and 317 and Bankruptcy Code Section 105(A) Appointing a Fee Examiner and Related Relief* [Dkt. No. 3324] (the “**First Amended Fee Examiner Order**”); and the Court having reviewed the Applications and/or the supplemental report filed by the Fee Examiner with respect to the Applications [*see* Dkt. No. ____]; and the Court finding that: (a) the Court has jurisdiction over this matter pursuant to PROMESA section 306(a); and (b) notice of the Applications and the hearing thereon being adequate under the circumstances; and (c) all parties with notice of the Applications having been afforded the opportunity to be heard on the Applications, and no objections having been filed; now therefore

IT IS HEREBY ORDERED THAT:

1. The Applications are GRANTED on an interim basis, to the extent set forth on the attached **Exhibit A**.

2. Each of the Applicants is allowed (a) interim compensation for services rendered during the Compensation Periods and (b) interim reimbursement for actual and necessary expenses incurred during the Compensation Periods, each in the respective amounts set forth on the attached **Exhibit A**, including, except as otherwise indicated, any and all holdbacks.

3. To the extent not already paid pursuant to the Interim Compensation Order, the Debtors are hereby authorized and directed to pay each of the Applicants 100 percent of the fees and 100 percent of the expenses listed on **Exhibit A** under the columns “Interim Fees Recommended for Approval” and “Interim Expenses Recommended for Approval,” respectively, for services rendered and expenses incurred during the Compensation Periods.

4. Pursuant to the Fee Examiner’s supplemental report, the interim fee applications listed on Exhibit B of the supplemental report, [Dkt. Nos. 2868, 2870, 2872, 2876, 2874, 2073, 2756, 2729, 2944, 2718, 3017, 2751, 2755, and 2739] remain adjourned for consideration at a later hearing date.

SO ORDERED.

Dated: July ____, 2018

LAURA TAYLOR SWAIN
United States District Judge

19226559.2

EXHIBIT A

First and Second Interim Fee Period Applications: Uncontested

	Applicant	Compensation Period	Interim Fees Requested	Fee Examiner's Recommended Fee Adjustments	Interim Expenses Requested	Fee Examiner's Recommended Expense Adjustments	Voluntary Discounts	Interim Fees Recommended for Approval	Interim Expenses Recommended for Approval
	<i>Bankruptcy Counsel to Debtors Commonwealth</i>								
1-a	Proskauer Rose LLP [Dkt. No. 2068]	5/3/2017 - 9/30/2017	\$ 7,075,033.00	\$ 193,864.35	\$ 233,148.09	\$ 28,943.37	yes	\$ 6,881,168.65	\$ 204,204.72
	<i>Bankruptcy Counsel to Debtors COFINA</i>								
1-b	Proskauer Rose LLP [Dkt. No. 2043]	5/5/2017 - 9/30/2017	\$ 1,672,746.00	\$ 45,835.24	\$ 16,605.84	\$ 2,061.48	yes	\$ 1,626,910.76	\$ 14,544.36
	<i>Bankruptcy Counsel to Debtors ERS</i>								
1-c	Proskauer Rose LLP [Dkt. No. 2045]	5/21/2017 - 9/30/2017	\$ 1,586,156.00	\$ 43,462.57	\$ 24,131.76	\$ 2,995.75	yes	\$ 1,542,693.43	\$ 21,136.01
	<i>Bankruptcy Counsel to Debtors PREPA</i>								
1-d	Proskauer Rose LLP [Dkt. No. 2053]	7/2/2017 - 9/30/2017	\$ 1,099,888.00	\$ 30,138.24	\$ 67,275.25	\$ 8,351.66	yes	\$ 1,069,749.76	\$ 58,923.59
	<i>Bankruptcy Counsel to Debtors HTA</i>								
1-e	Proskauer Rose LLP [Dkt. No. 2066]	5/21/2017 - 9/30/2017	\$ 4,483,783.00	\$ 122,861.01	\$ 154,512.19	\$ 19,181.39	yes	\$ 4,360,921.99	\$ 135,330.80
	<i>Bankruptcy Counsel to Debtors</i>								
2	O'Neill & Borges LLC [Dkt. No.2859]	10/01 - 01/31/2018	\$ 296,952.30	\$ 5,901.32	\$ 10,003.46	\$ 1,105.55	yes	\$ 291,050.98	\$ 8,897.91
	<i>Bankruptcy Counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority and the Puerto Rico Treasury Department</i>								
3	DLA Piper LLP [Dkt. No. 2753 & amended 2778]	6/01 - 1/31/2018	\$ 1,507,737.15	\$ 107,000.00	\$ 14,969.63	\$ 800.00		\$ 1,400,737.15	\$ 14,169.63
	<i>Information Agent for the Official Committee of Retired Employees</i>								
4	Marchand ICS Group [Dkt. No. 2736]	10/01 - 1/31/2018	\$ 68,402.25	\$ -	\$ 6,534.29	\$ -		\$ 68,402.25	\$ 6,534.29
	<i>Actuaries and Consultants to the Official Committee of Retired Employees</i>								
5	Segal Consulting [Dkt. No. 2742]	10/01 - 1/31/2018	\$ 482,920.00	\$ 6,732.20	\$ 4,405.59	\$ 664.01		\$ 476,187.80	\$ 3,741.58